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SERVICE DATE - NOVEMBER 21, 2003

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34430]

San Pedro Railroad Operating Company, LLC—Acquisition and Operation

Exemption—SWKR Operating Co. Inc.

San Pedro Railroad Operating Company, LLC (SPROC),¹ a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire all of SWKR Operating Co., Inc.'s (SWKR) interest in and to operate: (a) those rail lines extending from approximately milepost N 1033.008 (at or near Benson, AZ) to approximately milepost NA 1055.8 (at or near Charleston, AZ);² (b) the assets and rail banked common carrier rights in that segment of the Douglas Branch extending from approximately milepost NA 1055.8 to approximately milepost NA 1106.5 (at or near Douglas, AZ), and in the Bisbee Branch, extending from approximately milepost NB 1085.0 (at or near Bisbee Junction, AZ) to approximately milepost NB 1090.4 (at or near Bisbee, AZ); and (c) certain other

¹ SPROC is a wholly owned subsidiary of Arizona Railroad Group, LLC, which does not currently own any other railroads.

² The milepost designation changes at Fairbank, AZ, from milepost N 1050.57 to milepost NA 1046.39.

miscellaneous assets. The subject line and all related properties are located wholly within Cochise County, AZ.³

SPROC certifies that its projected annual revenues will not exceed those that would qualify it as a Class III rail carrier and that its annual revenues are not projected to exceed \$5 million.

The transaction was scheduled to be consummated on or after October 31, 2003, the effective date of the exemption (7 days after the notice was filed).

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34430, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Troy W. Garris, Weiner Brodsky Sidman Kider PC, 1300 19th Street, N.W., Fifth Floor, Washington, DC 20036-1609.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

³ In SWKR Operating Co., Inc.—Abandonment Exemption—In Cochise County, AZ, Docket No. AB-441 (Sub-Nos. 1X, 2X, and 3X), SWKR obtained exemptions to abandon three line segments that comprise a portion of the interests acquired by SPROC in this proceeding. SWKR has not, however, consummated abandonment of any of the three segments—two which remain subject to trail use agreements and a third which is the subject of a recent SWKR request that the decision granting the abandonment exemption authority be vacated.

Decided: November 14, 2003.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary